

**WHISTLEBLOWING PROCEDURE**  
**(FOR THE HANDLING OF WHISTLEBLOWING REPORTS)**

## Introduction

The European Union, with Directive 2019/1937, renewed the legislation concerning the protection of persons who report violations of EU law to create a minimum standard for the protection of whistleblowers' rights in all Member States. Italy implemented the European Guideline with the LD 10 March 2023 No. 24 (hereinafter the "Decree").

The said Decree also contains provisions concerning the protection of persons who report violations of national regulations.

By adopting this procedure, the company intended to comply with the aforementioned regulatory provisions and the guidelines provided by ANAC (National Anti-corruption Authority).

The objective pursued is to provide the whistleblower, i.e. the person who reports violations, with clear operational guidance on the subject, content, addressees, and transmission modalities of reports.

The whistleblowing procedure, among other provisions, guarantees the confidentiality of the whistleblower's identity as soon as it is received and in any contact afterwards. Pursuant to Art. 5, para. 1, item (e) of the Decree, this procedure, therefore, provides information on the channels, procedures, and prerequisites for making internal and external reports.

### **1. Reporting Parties.**

Reports can be made by the following parties:

- a) employees, including workers who perform:
  - part-time, intermittent, fixed-term, supply, apprenticeship, ancillary work (the employment relationship of which is governed by LD No. 81/2015);
  - occasional services (pursuant to Article 54-bis of LD No. 50/2017, conv. into Law No. 96/2017);
- b) self-employed workers
  - with a contract for work (art. 2222 c.c.);
  - with a collaboration relationship (as referred to in Article 409 of the Code of Civil Procedure), such as agency, commercial representation, and other collaboration relationships resulting in the performance of continuous and coordinated work, mainly personal, even if not of a subordinate nature;
  - with a collaboration relationship that takes the form of exclusively personal, continuous work, the manner of which is organised by the contractor;
- c) collaborators working for parties that provide goods or services or perform works for the company;
- d) the professionals and consultants working for the company;
- e) paid and unpaid volunteers and trainees working for the company;
- f) the shareholder and persons with administrative, management, control, supervisory or representative functions, even if such functions are exercised de facto at the company (e.g. members of the Board of Directors or SB).

The protection of whistleblowers (Art. 6 of this Policy) also applies if the report, complaint to the judicial or accounting authorities, or public disclosure of information takes place in the following cases:

- a) when the legal relationship described above has not yet begun if information on violations has been acquired during the selection process or at other pre-contractual stages;
- b) during the probationary period;
- c) after the termination of the legal relationship if information on violations was acquired during that relationship.

## **2. Subject of the report and excluded reports.**

The Decree provides that the reports protected by the whistleblowing discipline may concern the violation of regulations of different scope depending on the characteristics of the company concerned, namely, the number of workers employed, the sector in which it operates, and whether or not it has a Model pursuant to LD 231/01.

Considering that the company employs less than 50 workers, it does not operate within the scope of the European Union acts referred to in Parts I.B and II of the Annex to the Decree but has a Model pursuant to LD 231/01, the reports may concern the cases indicated in Article 3, para. 2, item b, first sentence of the Decree, i.e.:

- unlawful conduct relevant under LD 231/01 or violations of organisational and management models.

From the moment the company employs at least 50 workers, the reports may also concern the cases indicated in Art. 3, para. 2, item b, second sentence of the Decree, i.e.:

- violations of national or European provisions consisting of offences in the following areas: public procurement; services, products and financial markets, the prevention of money laundering and the financing of terrorism; product safety and conformity; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; the protection of privacy, of personal data, and the security of networks and information systems;
- infringements of European provisions consisting of (i) acts or omissions affecting the financial interests of the Union; (ii) acts and omissions concerning the internal market; (iii) acts and conduct that frustrates the object or purpose of the provisions of the Union acts in the areas referred to above.

## **3. Reporting channels: internal, external, public disclosure.**

The company has set up an internal reporting channel that guarantees the confidentiality of the identity of the person making the report, the person involved, and any other person mentioned in the report, as well as the content of the report and the relevant documentation.

Remember that whistleblowing must first be reported using the internal channel.

Reporting through the external channel, set up and managed by ANAC, can only be carried out under certain conditions<sup>1</sup>, and public disclosure under even stricter conditions<sup>2</sup>, without prejudice to the possibility of reporting to the judicial authorities.

#### **4. Content and modalities for submitting reports.**

Whistleblowing may be carried out if the following conditions are met:

- when there is information, including well-founded suspicions, concerning violations committed or which, on the basis of concrete elements, may be committed of national or European Union regulatory provisions that harm the public interest or the integrity of the company, as well as concerning conduct aimed at concealing such violations  
and
- such information is acquired, or suspicions have arisen, in a work context.

No reports can be taken into consideration if they are exclusively related to:

- disputes, claims, or demands linked to a personal interest of the reporter;
- individual employment or cooperation relationships of the whistleblower with the company or with hierarchically superior figures;
- aspects of the reported person's private life that are not directly or indirectly connected to the business and/or professional activity.

In addition, no reports are allowed if:

- specious, defamatory, slanderous or aimed solely at harming the reported person;
- concerning violations that the reporter knows to be unfounded.

#### **Content of the report**

The report, under penalty of inadmissibility, must contain:

1. the identification data of the reporting person, except for the indications concerning anonymous reports, as well as an address to which subsequent updates can be sent;
2. the clear, complete, and detailed description of the facts reported;
3. the circumstances of time and place in which the reported fact occurred and a description of the facts that are the subject of the report, specifying the details of the circumstantial

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<sup>1</sup>Whistleblowers may use the external channel (ANAC) when:

- there is no compulsory activation of the internal reporting channel within the work context, or this channel, even if compulsory, is not active or, even if activated, does not comply with what is required by law;
- the whistleblower has already made an internal report, and it was not followed up;
- the whistleblower has reasonable grounds to believe that, if he or she were to make an internal report, it would not be effectively followed up or that the report might lead to a risk of retaliation;
- the whistleblower has reasonable grounds to believe that the violation may constitute an imminent or obvious danger to the public interest.

<sup>2</sup>Whistleblowers may directly make a public disclosure when:

- the whistleblower has previously made an internal and an external report or has made an external report directly and has not received a reply within the prescribed time limits on the measures envisaged or taken to follow up the reports;
- the whistleblower has reasonable grounds to believe that the violation may constitute an imminent or obvious danger to the public interest;
- the reporting person has reasonable grounds to believe that the external report may involve a risk of retaliation or may not be effectively followed up due to the specific circumstances of the case, such as where evidence may be concealed or destroyed or where there is a well-founded fear that the recipient of the report may be colluding with the perpetrator of the violation or is involved in the violation.

information and, where present, also how the facts that are the subject of the report came to light;

4. personal details or other elements allowing the identification of the person(s) held responsible for the facts reported;
5. an indication of any other persons who may report on the facts being reported;
6. an indication of any documents that may confirm the validity of the facts;
7. any other information that may provide useful evidence as to the veracity of the facts reported;
8. in the case of the use of the analogue channel (ordinary mail), the express declaration that you wish to benefit from the whistleblowing protections, e.g. by inserting the words “riservata al gestore della segnalazione” (TN: reserved for the reporting manager).

### Reporting modalities

Whistleblowing reports can be made in the following ways:

1. by calling the following telephone number: 0432 676838
2. at the whistleblower's request, through a direct meeting with the whistleblowing office;
3. by ordinary mail by inserting the report in two sealed envelopes, including, in the first envelope, the identification data of the reporter, together with an identity document; in the second envelope, the subject of the report; both envelopes should then be placed in a third envelope marked "riservata al gestore della segnalazione" on the outside and addressed to: Alpe-Adria Textil srl, Strada di Salt, 50 Remanzacco (UD) - ufficio whistleblowing.

### Anonymous reporting

The company reserves the right to consider anonymous reports and initiate in-depth investigations to ascertain what has been reported only if they present precise, concordant, and adequately substantiated information. In any case, the measures to protect the whistleblower only apply if the whistleblower is subsequently identified and retaliated against.

### Transmission of reports

According to the adopted reporting channel, whistleblowing reports should be sent to Alpe-Adria Textil srl, Strada di Salt, 50 Remanzacco (UD)—ufficio whistleblowing.

Should the whistleblowing office be unstaffed for a prolonged period, Ms Sara Gabino will be appointed its deputy. Moreover, reports should also be addressed to the latter in the event of a conflict of interest of the whistleblowing office pursuant to Section 6 of this Procedure.

Finally, it should be noted that the receipt of reports is suspended during the company's closing period.

## **5. Report management.**

This procedure regulates the process of receiving, analysing, and processing reports of unlawful conduct of which the reporting person has become aware in the context of their work.

As part of the management of the internal whistleblowing channel, the whistleblowing manager, identified in the whistleblowing office (hereinafter also referred to as the "manager" or "receiver"), operates in the following ways.

### Receiving the alert

If the report has been mistakenly transmitted to or received from a person not appointed to accept it, and it is clear that it is a whistleblowing report, it shall be the latter's compulsory duty to promptly acknowledge receipt thereof to the reporting manager, in any case within seven days of such receipt, simultaneously notifying the reporter of such transmission to the reporting manager, without prejudice to all the confidentiality obligations provided for by this procedure also applicable to the reporter (and his consequent liability in the event of breach thereof).

The receiver shall issue an acknowledgement of receipt to the person who issued the report within seven days of the date of receipt. The notice will be sent to the address indicated by the reporter and, if not indicated, the report will be dismissed.

Anonymous reports are recorded, and documentation is kept.

The company will store reports received by ordinary mail using appropriate methods that guarantee confidentiality.

Reports made orally, in the forms indicated in this procedure, subject to the consent of the person making the report, shall be documented by the report manager using a recording on a device suitable for storage and listening or a minute.

In the event of a face-to-face meeting with the reporting person, a recording of the meeting will be made, or, if this is not done or the reporting person does not consent to the recording, minutes of the meeting will be drawn up and signed by both the manager and the reporting person, a copy of which will be provided to the latter.

### Relations with the reporter and additions to the report

The receiver maintains contact with the reporter and may request additions if necessary.

In the case of minutes drawn up following a meeting with the reporting person, the latter may verify, rectify, and confirm the meeting minutes by signing them.

### Assessment of the report

The receiver follows up on the reports received, assessing the existence of the reporter's legitimacy and that the report falls within the scope of the rule; this is followed by an assessment of the circumstances of time and place in which the event occurred.

At the outcome of the preliminary assessment:

- if the prerequisites are not met, the report is dismissed, stating the reasons;
- if the prerequisites are met, the investigation is initiated.

### Investigation

The receiver guarantees the proper conduct of the investigation through:

- the collection of documents and information;
- the involvement of external parties (where the technical assistance of third-party professionals is required) or other corporate functions, which are obliged to cooperate with the reporting manager;
- the immediate reporting to the SB of relevant reports pursuant to the 231 Model and/or LD 231/01;



- the hearing of any other internal/external parties, where necessary.

The investigation is carried out in accordance with the following principles:

- the necessary measures are taken to prevent the identification of the reporter and the persons involved;
- verifications are conducted by persons with the necessary training, and activities are tracked and archived correctly;
- all those involved in the evaluation maintain the confidentiality of the information received unless otherwise provided for by law;
- verifications are carried out by ensuring that appropriate measures are taken for the collection, use, disclosure, and storing of personal information and by ensuring that the needs of the investigation are balanced against the need to protect privacy;
- appropriate measures are ensured to manage possible conflicts of interest if the report concerns the recipient.

### Reply to the reporter

Within three months from the date of the acknowledgement of receipt or, in the absence of such an acknowledgement, within three months from the expiry of the seven-day time limit from the submission of the report, the recipient shall provide feedback on the report, alternatively notifying:

- the dismissal, giving reasons for the decision or
- the merits of the report and sending it to the competent internal bodies for follow-up or
- the activity carried out and still to be carried out (in the case of reports involving a more time-consuming verification activity) and any actions taken (measures taken or referral to the competent authority).

### **6. Conflict of interests**

If the reporting manager has a conflict of interest, e.g., as a reporting person or a reporter, Ms Sara Gabino will handle the report.

### **7. Protection and responsibility of the reporter**

Whistleblowers must not suffer any form of retaliation. Indeed, the law stipulates that those who report cannot be sanctioned, demoted, dismissed, transferred or subjected to any other organisational measure that ends up having, directly or indirectly, negative effects on their working conditions or discriminatory or retaliatory effects against them.

A person's motives for reporting, exposing, or publicly disclosing are irrelevant to their protection.

In the context of judicial or administrative proceedings, or even extrajudicial proceedings concerning the establishment of prohibited conduct against whistleblowers, it is presumed that such conduct has taken place as a result of the report, public disclosure or complaint to the judicial or accounting authorities. The burden of proving that such conduct towards whistleblowers is motivated by reasons unrelated to the report, public disclosure or complaint remains with the person who has engaged in it.

Moreover, the alleged discriminatory or retaliatory measures suffered must be reported to ANAC, which alone is entrusted with the task of ascertaining whether the retaliatory measure is consequent

to the report of wrongdoing and applying, in the absence of proof by the company that the measure taken is unrelated to the report, an administrative monetary sanction.

#### Personal data processing. Privacy

Any processing of personal data will be carried out by EU Regulation 2016/679, LD No. 196 of 30 June 2003, and Articles 13 and 14 of the Decree; moreover, failure to comply with confidentiality requirements may result in disciplinary liability without prejudice to any further liability provided for by law.

The information concerning the processing of personal data following a whistleblowing report is available on the company notice board.

Internal and external reports and related documentation are kept for the time necessary to process the report and, in any case, no longer than five years from the date of the communication of the outcome of the reporting procedure, in compliance with the obligations of confidentiality and protection of personal data.

#### Responsibility of the reporter

The company guarantees the reported the right to be informed (within a reasonable period) of any reports involving them, ensuring the right of defence if disciplinary measures are initiated against them.

This procedure is also without prejudice to the reporter's criminal and disciplinary liability in case of a libellous or defamatory report under the Criminal Code and Article 2043 of the Civil Code.

Any abuse of the whistleblowing reporting procedure, such as reports that are manifestly unfounded and/or made for the sole purpose of harming the reported person or other persons, and any other case of misuse or intentional exploitation of the procedure, shall also give rise to liability in disciplinary and other competent fora.

### **8. Entry into force and amendments**

This policy shall enter into force on the date of the resolution of the Board of Directors by which it is adopted. Upon its entry into force, all provisions previously adopted in this matter, in whatever form communicated, shall be deemed repealed insofar as they are incompatible or inconsistent since the present supersedes them.

The company shall ensure the necessary publicity and provide each employee with a copy of the procedure.

All employees may propose reasoned additions to this procedure when deemed necessary; the company will examine the proposals.

However, this procedure remains subject to periodic review.